

SAMPLE

Irrevocable Letter of Credit No. _____

Date Issued _____

Beneficiary:

DOI, Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, NM 87502-0115

Ladies and Gentlemen:

On behalf (operator, claimant, other entity) of (address) , as obligor, we (bank), financial institution) of (address) hereby establish an Irrevocable Letter of Credit in favor of the U. S. Department of Interior, Bureau of Land Management (BLM) and agree to pay upon demand by BLM, up to an aggregate amount of U. S. \$ upon receipt of your draft(s) at sight on us and your written notification signed by a purported authorized officer of BLM to the effect the obligor has been determined to be in default and the amount drawn represents the reasonable amount, as determined by BLM, of such default.

This Letter of Credit is available with (bank or financial institution) at (address) by sight payment. Partial drawings are permitted.

This Letter of Credit is effective (date) , and will expire at our offices in on (minimum of 1 year from effective date) , and shall thereafter be automatically renewed for a one year period upon such date and upon each anniversary of such date, unless at least ninety (90) days prior to the then current expiration date we notify you at the above address by certified mail, return receipt requested, that we elect not to renew this letter of credit for such additional period.

Upon receipt by the BLM of such notice from us not to renew this Letter, BLM may draw on us at sight for up to the amount of the Letter of Credit, prior to the expiration thereof, provided that such a draft is accompanied by a statement signed by a purported authorized officer of the BLM that no statutory replacement bond has been provided by the obligor prior to 30 days before this Letter of Credit expires, pursuant to 43 CFR 3809.

It shall not be required for the BLM, in order to draw on this Letter of Credit, to furnish the original Letter; however, it is understood, as a condition of any payment thereunder, that the face amount of the Letter shall automatically be reduced by any payment made by the bank and that the BLM will promptly surrender the original Letter of Credit when and if the bank shall tender to the BLM the full amount of funds represented by this Letter; such surrender to occur as soon as reasonably practical after full payment is made. The original Letter of Credit shall also be surrendered promptly following its expiration.

We promise that the amount of credit herein established will not be reduced for any reason during the effectiveness of this Letter of Credit without the prior written approval of the BLM. We are informed that this Letter of Credit is issued per the requirements of 43 CFR 3809 for case serialized .

This credit is subject to the Uniform Custom and Practice for Documentary Credits, 1993-revision, ICC Publication No. 500.